

LNF & IHCIF Calculations Illustration - Keweenaw Bay/L'Anse in Bemidji area -

Given Data

- 1,584 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 39% = % Expenditures on purchased services, 61% = % expenditures in-house
- 97.2% = Cost index for purchasing health care in this geographic area
- 129.2% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,131 per person for purchased services = $39\% * 97.2\% * \$2,980$
- \$2,347 per person for in-house services = $61\% * 129.2\% * \$2,980$
- \$3,477 per person total = \$1,131 (purchase) + \$2,347 (in-house)
- **\$3,683 per person total** adjusted for health status = $\$3,477 * 105.9\%$
- **\$2,938 per person net cost** = $\$3,683 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,584 users excluding wrap-around and collections)

- \$958 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,106 per person for OU users** = $\$958 + \$94 + \$54$

LNF Calculation

- **30.0% Gross LNF** = $\$1,106$ (expenditures) / $\$3,683$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **37.6% Net LNF** = $\$1,106 / \$2,938$ net cost ($\$3,683 - \745 other)

IHCIF Allocation

- \$1,040,933 = \$ to raise LNF% from 37.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$36,308 Allocation** = $\$1,040,933$ needed for 60% * 3.488% IHCIF fraction

Keweenaw Bay/L'Anse Unmet Needs

- **\$4,654,348 Net Total Need** = 1,584 users * \$2,938 net cost
- **\$2,902,673 Net Unmet Need** = $(100\% - 37.6\% \text{ LNF}) * 1,584 \text{ users} * \$2,938 \text{ net cost}$